

19 Nonresident Withholding Exchange Affidavit

597-B

Attach this form to the back of Form 597-A.

Part I To be completed for a **NONSIMULTANEOUS** Internal Revenue Code (IRC) Section 1031 exchange.

Name of transferor (seller)	Name of transferee (buyer)
Name, address, state and ZIP code of accommodator/intermediary	Daytime telephone number of accommodator/intermediary ()
Address of California real estate being sold	Basis of California real estate being sold
Address or location of replacement real estate	

Transferor (Seller) and Accommodator and/or Intermediary Agreement

The undersigned transferor(s) (seller(s)) of the California real estate listed above hereby certify, under penalty of perjury, that it is the intent of the transferor(s) to treat the transfer of this property as the first leg in a tax-free exchange as defined under IRC Section 1031.

The parties agree that:

- If the exchange takes place, and the transferor(s) (or their beneficiary(ies)) receive(s) cash or cash equivalent as non-like kind property in the exchange, and such cash or cash equivalent exceeds \$1,500, then the amount required to be withheld will be 7 percent of any cash or cash equivalent received by the transferor(s) (or their beneficiary(ies)).
- If the exchange does not take place, then the amount required to be withheld will be 3 1/3 percent of the total sales price of the real estate.

The transferor(s) (seller(s)) further agrees that California tax return(s) will be filed reporting the transaction, and that the Franchise Tax Board (FTB), Withhold at Source Unit will be notified within 10 days after expiration of the 180 day statutory period applicable to deferred like-kind exchanges if the exchange does not take place.

The accommodator or other entity in control of the funds agrees to be liable for withholding the correct amount specified above. The accommodator or other entity in control of the funds agrees to remit all withheld amounts to the FTB using Copy A of Form 597, Nonresident Withholding Tax Statement for Real Estate Sales. Get Form 597 for information on remitting the amount withheld.

Signature of transferor (seller)	Date	Signature of transferor (seller)	Date
Signature of accommodator/intermediary	Title	Date	

General Information**When and Where to File This Form**

Form 597-B, Nonresident Withholding Exchange Affidavit, must be included with Form 597-A, Nonresident Withholding Waiver Request for Real Estate Sales, when a seller requests a reduced withholding amount or waiver, based on the fact that the transfer is intended to be a tax-free exchange as defined under IRC Section 1031.

Use this form for common exchange transactions only. If the transaction involves multiple properties or combination simultaneous/nonsimultaneous exchanges contact the FTB, Withhold at Source Unit.

The appropriate agreement for the type of transaction (nonsimultaneous on Side 1 or simultaneous on Side 2) must be completed and signed by the transferor (seller), and the accommodator/intermediary or the transferee (buyer) or entity in control of the funds. Use Form 597-C, Nonresident Withholding Installment Sale Agreement, for an IRC Section 1031 exchange with an installment provision.

Send affidavits and inquiries to:

**Franchise Tax Board
Withhold at Source Unit
P.O. Box 651
Sacramento, CA 95812-0651
Telephone (916) 845-4900
FAX (916) 845-4831**

Part II To be completed for a **SIMULTANEOUS IRC Section 1031 exchange.**

Name of transferor (seller)		Name of transferee (buyer)	
Name and address of entity in control of funds		Daytime telephone number of entity in control of funds ()	
Address of California real estate being sold		Basis of California real estate being sold	
Address or location of replacement real estate			

Transferor (Seller) and Transferee (Buyer)/Entity in Control of Funds Agreement

The undersigned transferor(s) (seller(s)) of the California real estate listed above hereby certify(ies), under penalty of perjury, that it is the intent of the transferor(s) (seller(s)) to treat the transfer of this property as a simultaneous tax-free exchange as defined under IRC Section 1031.

The parties agree that:

- a) If the exchange takes place, and the transferor(s) (or their beneficiary(ies)) receive(s) cash or cash equivalent as non-like kind property in the exchange, and such cash or cash equivalent exceeds \$1,500, then the amount required to be withheld will be 7 percent of any cash or cash equivalent received by the transferor(s) (or their beneficiary(ies)).
- b) If the exchange does not take place, then the amount required to be withheld will be 3 1/3 percent of the total sales price of the real estate.

The transferor(s) (seller(s)) further agrees that California tax return(s) will be filed reporting the transaction, and that the Franchise Tax Board (FTB), Withhold at Source Unit will be notified within 10 days of the transfer of the real estate by the seller if the exchange does not take place.

The transferee (buyer) or other entity in control of the funds agrees to be liable for withholding the correct amount specified above. The transferee (buyer) or other entity in control of the funds agrees to remit all withheld amounts to the FTB using Copy A of Form 597, Nonresident Withholding Tax Statement for Real Estate Sales. Get Form 597 for information on remitting the amount withheld.

_____ Signature of transferor (seller)	_____ Date	_____ Signature of transferor (seller)	_____ Date
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_____ Signature of transferee (buyer)/entity in control of funds	_____ Title	_____ Date
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